

# **EASTERN MAINE HEALTHCARE SYSTEMS**

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# **HOSPITAL STUDY COMMISSION**

## **JULY 6, 2004**

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President & CEO  
Eastern Maine Healthcare Systems

# PRINCIPLES OF THE RELATIONSHIP

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## PHILOSOPHY:

Provide healthcare as close to home as possible in a fiscally responsible manner while maintaining and strengthening local providers.

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## OBJECTIVE:

Development of an economically integrated risk bearing organization of health care delivery entities meeting the needs of patients throughout a region regardless of socio-economic status.

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## BUSINESS RATIONALE:

- Development of contractual relationships to provide health care to a defined population (contracts for covered lives).
- Develop a strong business unit to maximize the acquisition of capital.
- Achieve business efficiencies by sharing administrative resources, reducing duplication and leveraging purchasing power.

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## PATIENT CARE OBJECTIVES:

- Improve quality, enhance outcomes.
- Improve satisfaction, enhance access.
- Improve unit cost, reduce prices.

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## **BUSINESS PRINCIPLES:**

- Strategic contracting and pricing.
- Strategic allocation of resources.
- Strategic planning and patient services.
- Strategic alignment of services electronically.
- Strategic acquisition of capital.

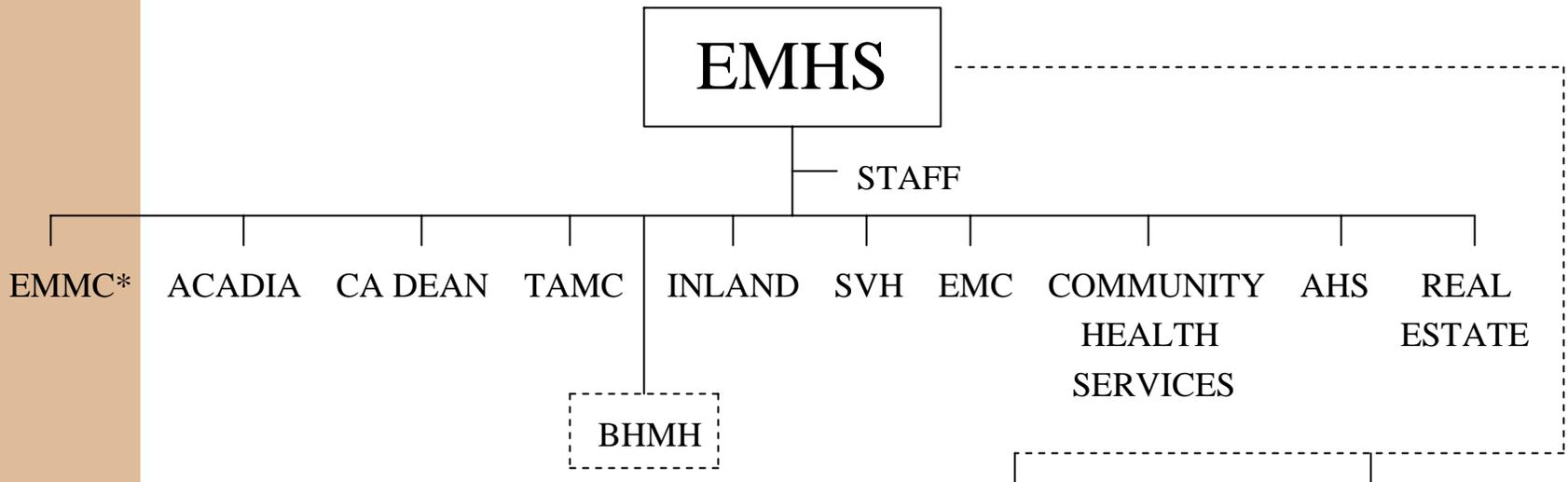
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## BUSINESS STANDARDIZATION INITIATIVES:

- Single System Payroll.
- Single Debt Obligated Group.
- Single System Tax Exemption.
- Single Integrated Information System (registration, financial and clinical).

# EMHS ORGANIZATION CHART PERMANENT



Joint Venture:  
 - Central Maine  
 Healthcare:  
 (New Century  
 Healthcare, LLC)

Affiliation:  
 - Strategic Partner:  
 BHMH  
 - Strategic Affiliate:  
 Houlton

\* Clinical and Critical Access Hospital arrangements directly with hospital subsidiary.

## RELATIONSHIPS

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- ↖ **Member:**
  - Economically integrated, risk sharing, federal and state agency approvals (Justice Dept., IRS, State A.G., CON, etc.)
  
- ↖ **Strategic Affiliate:**
  - Clinical, administrative and support services relationships not encompassing contracting, pricing, allocation of services or other antitrust prohibitions.
  
- ↖ **Clinical Affiliation:**
  - Training, transfer, clinical protocols, critical access designation agreements.

# EMHS MEMBERS GOVERNANCE

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- ↖ **Shared Responsibilities:**
  - Board
  - Budget
  - Bylaws.
  
- ↖ **Organizational Symmetry:**
  - Board composition
  - Committee Composition.